



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4763

Introduced 01/18/06, by Rep. Larry McKeon

SYNOPSIS AS INTRODUCED:

765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.5	from Ch. 30, par. 318.5

Amends the Condominium Property Act. Provides that meetings of the board of managers and meetings of the board of masters associations shall be open to the unit owners, regardless of whether a formal vote is taken. Makes an exception to the open meeting requirement for informal meetings conducted via email. Defines "meeting".

LRB094 17499 LCT 52795 b

1 AN ACT concerning property.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Condominium Property Act is amended by
5 changing Sections 18 and 18.5 as follows:

6 (765 ILCS 605/18) (from Ch. 30, par. 318)

7 Sec. 18. Contents of bylaws. The bylaws shall provide for
8 at least the following:

9 (a) (1) The election from among the unit owners of a board
10 of managers, the number of persons constituting such board,
11 and that the terms of at least one-third of the members of
12 the board shall expire annually and that all members of the
13 board shall be elected at large. If there are multiple
14 owners of a single unit, only one of the multiple owners
15 shall be eligible to serve as a member of the board at any
16 one time.

17 (2) the powers and duties of the board;

18 (3) the compensation, if any, of the members of the
19 board;

20 (4) the method of removal from office of members of the
21 board;

22 (5) that the board may engage the services of a manager
23 or managing agent;

24 (6) that each unit owner shall receive, at least 30
25 days prior to the adoption thereof by the board of
26 managers, a copy of the proposed annual budget together
27 with an indication of which portions are intended for
28 reserves, capital expenditures or repairs or payment of
29 real estate taxes;

30 (7) that the board of managers shall annually supply to
31 all unit owners an itemized accounting of the common
32 expenses for the preceding year actually incurred or paid,

1 together with an indication of which portions were for
2 reserves, capital expenditures or repairs or payment of
3 real estate taxes and with a tabulation of the amounts
4 collected pursuant to the budget or assessment, and showing
5 the net excess or deficit of income over expenditures plus
6 reserves;

7 (8) (i) that each unit owner shall receive notice, in
8 the same manner as is provided in this Act for membership
9 meetings, of any meeting of the board of managers
10 concerning the adoption of the proposed annual budget and
11 regular assessments pursuant thereto or to adopt a separate
12 (special) assessment, (ii) that except as provided in
13 subsection (iv) below, if an adopted budget or any separate
14 assessment adopted by the board would result in the sum of
15 all regular and separate assessments payable in the current
16 fiscal year exceeding 115% of the sum of all regular and
17 separate assessments payable during the preceding fiscal
18 year, the board of managers, upon written petition by unit
19 owners with 20 percent of the votes of the association
20 delivered to the board within 14 days of the board action,
21 shall call a meeting of the unit owners within 30 days of
22 the date of delivery of the petition to consider the budget
23 or separate assessment; unless a majority of the total
24 votes of the unit owners are cast at the meeting to reject
25 the budget or separate assessment, it is ratified, (iii)
26 that any common expense not set forth in the budget or any
27 increase in assessments over the amount adopted in the
28 budget shall be separately assessed against all unit
29 owners, (iv) that separate assessments for expenditures
30 relating to emergencies or mandated by law may be adopted
31 by the board of managers without being subject to unit
32 owner approval or the provisions of item (ii) above or item
33 (v) below. As used herein, "emergency" means an immediate
34 danger to the structural integrity of the common elements
35 or to the life, health, safety or property of the unit
36 owners, (v) that assessments for additions and alterations

1 to the common elements or to association-owned property not
2 included in the adopted annual budget, shall be separately
3 assessed and are subject to approval of two-thirds of the
4 total votes of all unit owners, (vi) that the board of
5 managers may adopt separate assessments payable over more
6 than one fiscal year. With respect to multi-year
7 assessments not governed by items (iv) and (v), the entire
8 amount of the multi-year assessment shall be deemed
9 considered and authorized in the first fiscal year in which
10 the assessment is approved;

11 (9) that meetings of the board of managers shall be
12 open to any unit owner, regardless of whether or not a
13 formal vote is taken, except for the portion of any meeting
14 held (i) to discuss litigation when an action against or on
15 behalf of the particular association has been filed and is
16 pending in a court or administrative tribunal, or when the
17 board of managers finds that such an action is probable or
18 imminent, (ii) to consider information regarding
19 appointment, employment or dismissal of an employee, ~~or~~
20 (iii) to discuss violations of rules and regulations of the
21 association or a unit owner's unpaid share of common
22 expenses, or (iv) informal meetings conducted via e-mail;
23 that any vote on these matters shall be taken at a meeting
24 or portion thereof open to any unit owner; that any unit
25 owner may record the proceedings at meetings or portions
26 thereof required to be open by this Act by tape, film or
27 other means; that the board may prescribe reasonable rules
28 and regulations to govern the right to make such
29 recordings, that notice of such meetings shall be mailed or
30 delivered at least 48 hours prior thereto, unless a written
31 waiver of such notice is signed by the person or persons
32 entitled to such notice pursuant to the declaration,
33 bylaws, other condominium instrument, or provision of law
34 other than this subsection before the meeting is convened,
35 and that copies of notices of meetings of the board of
36 managers shall be posted in entranceways, elevators, or

1 other conspicuous places in the condominium at least 48
2 hours prior to the meeting of the board of managers except
3 where there is no common entranceway for 7 or more units,
4 the board of managers may designate one or more locations
5 in the proximity of these units where the notices of
6 meetings shall be posted;

7 (10) that the board shall meet at least 4 times
8 annually;

9 (11) that no member of the board or officer shall be
10 elected for a term of more than 2 years, but that officers
11 and board members may succeed themselves;

12 (12) the designation of an officer to mail and receive
13 all notices and execute amendments to condominium
14 instruments as provided for in this Act and in the
15 condominium instruments;

16 (13) the method of filling vacancies on the board which
17 shall include authority for the remaining members of the
18 board to fill the vacancy by two-thirds vote until the next
19 annual meeting of unit owners or for a period terminating
20 no later than 30 days following the filing of a petition
21 signed by unit owners holding 20% of the votes of the
22 association requesting a meeting of the unit owners to fill
23 the vacancy for the balance of the term, and that a meeting
24 of the unit owners shall be called for purposes of filling
25 a vacancy on the board no later than 30 days following the
26 filing of a petition signed by unit owners holding 20% of
27 the votes of the association requesting such a meeting, and
28 the method of filling vacancies among the officers that
29 shall include the authority for the members of the board to
30 fill the vacancy for the unexpired portion of the term;

31 (14) what percentage of the board of managers, if other
32 than a majority, shall constitute a quorum;

33 (15) provisions concerning notice of board meetings to
34 members of the board;

35 (16) the board of managers may not enter into a
36 contract with a current board member or with a corporation

1 or partnership in which a board member or a member of the
2 board member's immediate family has 25% or more interest,
3 unless notice of intent to enter the contract is given to
4 unit owners within 20 days after a decision is made to
5 enter into the contract and the unit owners are afforded an
6 opportunity by filing a petition, signed by 20% of the unit
7 owners, for an election to approve or disapprove the
8 contract; such petition shall be filed within 20 days after
9 such notice and such election shall be held within 30 days
10 after filing the petition; for purposes of this subsection,
11 a board member's immediate family means the board member's
12 spouse, parents, and children;

13 (17) that the board of managers may disseminate to unit
14 owners biographical and background information about
15 candidates for election to the board if (i) reasonable
16 efforts to identify all candidates are made and all
17 candidates are given an opportunity to include
18 biographical and background information in the information
19 to be disseminated; and (ii) the board does not express a
20 preference in favor of any candidate;

21 (18) any proxy distributed for board elections by the
22 board of managers gives unit owners the opportunity to
23 designate any person as the proxy holder, and gives the
24 unit owner the opportunity to express a preference for any
25 of the known candidates for the board or to write in a
26 name;

27 (19) that special meetings of the board of managers can
28 be called by the president or 25% of the members of the
29 board; and

30 (20) that the board of managers may establish and
31 maintain a system of master metering of public utility
32 services and collect payments in connection therewith,
33 subject to the requirements of the Tenant Utility Payment
34 Disclosure Act.

35 (b) (1) What percentage of the unit owners, if other than
36 20%, shall constitute a quorum provided that, for

1 condominiums with 20 or more units, the percentage of unit
2 owners constituting a quorum shall be 20% unless the unit
3 owners holding a majority of the percentage interest in the
4 association provide for a higher percentage;

5 (2) that the association shall have one class of
6 membership;

7 (3) that the members shall hold an annual meeting, one
8 of the purposes of which shall be to elect members of the
9 board of managers;

10 (4) the method of calling meetings of the unit owners;

11 (5) that special meetings of the members can be called
12 by the president, board of managers, or by 20% of unit
13 owners;

14 (6) that written notice of any membership meeting shall
15 be mailed or delivered giving members no less than 10 and
16 no more than 30 days notice of the time, place and purpose
17 of such meeting;

18 (7) that voting shall be on a percentage basis, and
19 that the percentage vote to which each unit is entitled is
20 the percentage interest of the undivided ownership of the
21 common elements appurtenant thereto, provided that the
22 bylaws may provide for approval by unit owners in
23 connection with matters where the requisite approval on a
24 percentage basis is not specified in this Act, on the basis
25 of one vote per unit;

26 (8) that, where there is more than one owner of a unit,
27 if only one of the multiple owners is present at a meeting
28 of the association, he is entitled to cast all the votes
29 allocated to that unit, if more than one of the multiple
30 owners are present, the votes allocated to that unit may be
31 cast only in accordance with the agreement of a majority in
32 interest of the multiple owners, unless the declaration
33 expressly provides otherwise, that there is majority
34 agreement if any one of the multiple owners cast the votes
35 allocated to that unit without protest being made promptly
36 to the person presiding over the meeting by any of the

1 other owners of the unit;

2 (9) (A) that unless the Articles of Incorporation or the
3 bylaws otherwise provide, and except as provided in
4 subparagraph (B) of this paragraph (9) in connection with
5 board elections, a unit owner may vote by proxy executed in
6 writing by the unit owner or by his duly authorized
7 attorney in fact; that the proxy must bear the date of
8 execution and, unless the condominium instruments or the
9 written proxy itself provide otherwise, is invalid after 11
10 months from the date of its execution;

11 (B) that if a rule adopted at least 120 days before a
12 board election or the declaration or bylaws provide for
13 balloting as set forth in this subsection, unit owners may
14 not vote by proxy in board elections, but may vote only (i)
15 by submitting an association-issued ballot in person at the
16 election meeting or (ii) by submitting an
17 association-issued ballot to the association or its
18 designated agent by mail or other means of delivery
19 specified in the declaration, bylaws, or rule; that the
20 ballots shall be mailed or otherwise distributed to unit
21 owners not less than 10 and not more than 30 days before
22 the election meeting, and the board shall give unit owners
23 not less than 21 days' prior written notice of the deadline
24 for inclusion of a candidate's name on the ballots; that
25 the deadline shall be no more than 7 days before the
26 ballots are mailed or otherwise distributed to unit owners;
27 that every such ballot must include the names of all
28 candidates who have given the board or its authorized agent
29 timely written notice of their candidacy and must give the
30 person casting the ballot the opportunity to cast votes for
31 candidates whose names do not appear on the ballot; that a
32 ballot received by the association or its designated agent
33 after the close of voting shall not be counted; that a unit
34 owner who submits a ballot by mail or other means of
35 delivery specified in the declaration, bylaws, or rule may
36 request and cast a ballot in person at the election

1 meeting, and thereby void any ballot previously submitted
2 by that unit owner;

3 (C) that if a written petition by unit owners with at
4 least 20% of the votes of the association is delivered to
5 the board within 14 days after the board's approval of a
6 rule adopted pursuant to subparagraph (B) of this paragraph
7 (9), the board shall call a meeting of the unit owners
8 within 30 days after the date of delivery of the petition;
9 that unless a majority of the total votes of the unit
10 owners are cast at the meeting to reject the rule, the rule
11 is ratified;

12 (10) that the association may, upon adoption of the
13 appropriate rules by the board of managers, conduct
14 elections by secret ballot whereby the voting ballot is
15 marked only with the percentage interest for the unit and
16 the vote itself, provided that the board further adopt
17 rules to verify the status of the unit owner issuing a
18 proxy or casting a ballot; and further, that a candidate
19 for election to the board of managers or such candidate's
20 representative shall have the right to be present at the
21 counting of ballots at such election;

22 (11) that in the event of a resale of a condominium
23 unit the purchaser of a unit from a seller other than the
24 developer pursuant to an installment contract for purchase
25 shall during such times as he or she resides in the unit be
26 counted toward a quorum for purposes of election of members
27 of the board of managers at any meeting of the unit owners
28 called for purposes of electing members of the board, shall
29 have the right to vote for the election of members of the
30 board of managers and to be elected to and serve on the
31 board of managers unless the seller expressly retains in
32 writing any or all of such rights. In no event may the
33 seller and purchaser both be counted toward a quorum, be
34 permitted to vote for a particular office or be elected and
35 serve on the board. Satisfactory evidence of the
36 installment contract shall be made available to the

1 association or its agents. For purposes of this subsection,
2 "installment contact" shall have the same meaning as set
3 forth in Section 1 (e) of "An Act relating to installment
4 contracts to sell dwelling structures", approved August
5 11, 1967, as amended;

6 (12) the method by which matters subject to the
7 approval of unit owners set forth in this Act, or in the
8 condominium instruments, will be submitted to the unit
9 owners at special membership meetings called for such
10 purposes; and

11 (13) that matters subject to the affirmative vote of
12 not less than 2/3 of the votes of unit owners at a meeting
13 duly called for that purpose, shall include, but not be
14 limited to:

15 (i) merger or consolidation of the association;

16 (ii) sale, lease, exchange, or other disposition
17 (excluding the mortgage or pledge) of all, or
18 substantially all of the property and assets of the
19 association; and

20 (iii) the purchase or sale of land or of units on
21 behalf of all unit owners.

22 (c) Election of a president from among the board of
23 managers, who shall preside over the meetings of the board of
24 managers and of the unit owners.

25 (d) Election of a secretary from among the board of
26 managers, who shall keep the minutes of all meetings of the
27 board of managers and of the unit owners and who shall, in
28 general, perform all the duties incident to the office of
29 secretary.

30 (e) Election of a treasurer from among the board of
31 managers, who shall keep the financial records and books of
32 account.

33 (f) Maintenance, repair and replacement of the common
34 elements and payments therefor, including the method of
35 approving payment vouchers.

36 (g) An association with 30 or more units shall obtain and

1 maintain fidelity insurance covering persons who control or
2 disburse funds of the association for the maximum amount of
3 coverage available to protect funds in the custody or control
4 of the association plus the association reserve fund. All
5 management companies which are responsible for the funds held
6 or administered by the association shall maintain and furnish
7 to the association a fidelity bond for the maximum amount of
8 coverage available to protect funds in the custody of the
9 management company at any time. The association shall bear the
10 cost of the fidelity insurance and fidelity bond, unless
11 otherwise provided by contract between the association and a
12 management company. The association shall be the direct obligee
13 of any such fidelity bond. A management company holding reserve
14 funds of an association shall at all times maintain a separate
15 account for each association, provided, however, that for
16 investment purposes, the Board of Managers of an association
17 may authorize a management company to maintain the
18 association's reserve funds in a single interest bearing
19 account with similar funds of other associations. The
20 management company shall at all times maintain records
21 identifying all moneys of each association in such investment
22 account. The management company may hold all operating funds of
23 associations which it manages in a single operating account but
24 shall at all times maintain records identifying all moneys of
25 each association in such operating account. Such operating and
26 reserve funds held by the management company for the
27 association shall not be subject to attachment by any creditor
28 of the management company.

29 For the purpose of this subsection a management company
30 shall be defined as a person, partnership, corporation, or
31 other legal entity entitled to transact business on behalf of
32 others, acting on behalf of or as an agent for a unit owner,
33 unit owners or association of unit owners for the purpose of
34 carrying out the duties, responsibilities, and other
35 obligations necessary for the day to day operation and
36 management of any property subject to this Act. For purposes of

1 this subsection, the term "fiduciary insurance coverage" shall
2 be defined as both a fidelity bond and directors and officers
3 liability coverage, the fidelity bond in the full amount of
4 association funds and association reserves that will be in the
5 custody of the association, and the directors and officers
6 liability coverage at a level as shall be determined to be
7 reasonable by the board of managers, if not otherwise
8 established by the declaration or by laws.

9 Until one year after the effective date of this amendatory
10 Act of 1985, if a condominium association has reserves plus
11 assessments in excess of \$250,000 and cannot reasonably obtain
12 100% fidelity bond coverage for such amount, then it must
13 obtain a fidelity bond coverage of \$250,000.

14 (h) Method of estimating the amount of the annual budget,
15 and the manner of assessing and collecting from the unit owners
16 their respective shares of such estimated expenses, and of any
17 other expenses lawfully agreed upon.

18 (i) That upon 10 days notice to the manager or board of
19 managers and payment of a reasonable fee, any unit owner shall
20 be furnished a statement of his account setting forth the
21 amount of any unpaid assessments or other charges due and owing
22 from such owner.

23 (j) Designation and removal of personnel necessary for the
24 maintenance, repair and replacement of the common elements.

25 (k) Such restrictions on and requirements respecting the
26 use and maintenance of the units and the use of the common
27 elements, not set forth in the declaration, as are designed to
28 prevent unreasonable interference with the use of their
29 respective units and of the common elements by the several unit
30 owners.

31 (l) Method of adopting and of amending administrative rules
32 and regulations governing the operation and use of the common
33 elements.

34 (m) The percentage of votes required to modify or amend the
35 bylaws, but each one of the particulars set forth in this
36 section shall always be embodied in the bylaws.

1 (n) (i) The provisions of this Act, the declaration,
2 bylaws, other condominium instruments, and rules and
3 regulations that relate to the use of the individual unit or
4 the common elements shall be applicable to any person leasing a
5 unit and shall be deemed to be incorporated in any lease
6 executed or renewed on or after the effective date of this
7 amendatory Act of 1984. (ii) With regard to any lease entered
8 into subsequent to the effective date of this amendatory Act of
9 1989, the unit owner leasing the unit shall deliver a copy of
10 the signed lease to the board or if the lease is oral, a
11 memorandum of the lease, not later than the date of occupancy
12 or 10 days after the lease is signed, whichever occurs first.
13 In addition to any other remedies, by filing an action jointly
14 against the tenant and the unit owner, an association may seek
15 to enjoin a tenant from occupying a unit or seek to evict a
16 tenant under the provisions of Article IX of the Code of Civil
17 Procedure for failure of the lessor-owner to comply with the
18 leasing requirements prescribed by this Section or by the
19 declaration, bylaws, and rules and regulations. The board of
20 managers may proceed directly against a tenant, at law or in
21 equity, or under the provisions of Article IX of the Code of
22 Civil Procedure, for any other breach by tenant of any
23 covenants, rules, regulations or bylaws.

24 (o) The association shall have no authority to forbear the
25 payment of assessments by any unit owner.

26 (p) That when 30% or fewer of the units, by number, possess
27 over 50% in the aggregate of the votes in the association, any
28 percentage vote of members specified herein or in the
29 condominium instruments shall require the specified percentage
30 by number of units rather than by percentage of interest in the
31 common elements allocated to units that would otherwise be
32 applicable.

33 (q) That a unit owner may not assign, delegate, transfer,
34 surrender, or avoid the duties, responsibilities, and
35 liabilities of a unit owner under this Act, the condominium
36 instruments, or the rules and regulations of the Association;

1 and that such an attempted assignment, delegation, transfer,
2 surrender, or avoidance shall be deemed void.

3 The provisions of this Section are applicable to all
4 condominium instruments recorded under this Act. Any portion of
5 a condominium instrument which contains provisions contrary to
6 these provisions shall be void as against public policy and
7 ineffective. Any such instrument which fails to contain the
8 provisions required by this Section shall be deemed to
9 incorporate such provisions by operation of law.

10 (r) For purposes of this Section, "meeting" means any
11 congregation of a majority of the members of the board at the
12 same time and place to hear, discuss, or deliberate upon any
13 item of business scheduled to be heard by the board.

14 (Source: P.A. 93-243, eff. 1-1-04.)

15 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

16 Sec. 18.5. Master Associations.

17 (a) If the declaration, other condominium instrument, or
18 other duly recorded covenants provide that any of the powers of
19 the unit owners associations are to be exercised by or may be
20 delegated to a nonprofit corporation or unincorporated
21 association that exercises those or other powers on behalf of
22 one or more condominiums, or for the benefit of the unit owners
23 of one or more condominiums, such corporation or association
24 shall be a master association.

25 (b) There shall be included in the declaration, other
26 condominium instruments, or other duly recorded covenants
27 establishing the powers and duties of the master association
28 the provisions set forth in subsections (c) through (h).

29 In interpreting subsections (c) through (h), the courts
30 should interpret these provisions so that they are interpreted
31 consistently with the similar parallel provisions found in
32 other parts of this Act.

33 (c) Meetings and finances.

34 (1) Each unit owner of a condominium subject to the
35 authority of the board of the master association shall

1 receive, at least 30 days prior to the adoption thereof by
2 the board of the master association, a copy of the proposed
3 annual budget.

4 (2) The board of the master association shall annually
5 supply to all unit owners of condominiums subject to the
6 authority of the board of the master association an
7 itemized accounting of the common expenses for the
8 preceding year actually incurred or paid, together with a
9 tabulation of the amounts collected pursuant to the budget
10 or assessment, and showing the net excess or deficit of
11 income over expenditures plus reserves.

12 (3) Each unit owner of a condominium subject to the
13 authority of the board of the master association shall
14 receive written notice mailed or delivered no less than 10
15 and no more than 30 days prior to any meeting of the board
16 of the master association concerning the adoption of the
17 proposed annual budget or any increase in the budget, or
18 establishment of an assessment.

19 (4) Meetings of the board of the master association
20 shall be open to any unit owner in a condominium subject to
21 the authority of the board of the master association,
22 regardless of whether or not a formal vote is taken, except
23 for the portion of any meeting held:

24 (A) to discuss litigation when an action against or
25 on behalf of the particular master association has been
26 filed and is pending in a court or administrative
27 tribunal, or when the board of the master association
28 finds that such an action is probable or imminent,

29 (B) to consider information regarding appointment,
30 employment or dismissal of an employee, ~~or~~

31 (C) to discuss violations of rules and regulations
32 of the master association or unpaid common expenses
33 owed to the master association, or

34 (D) informal meetings conducted via email.

35 Any vote on these matters shall be taken at a meeting or
36 portion thereof open to any unit owner of a condominium

1 subject to the authority of the master association.

2 Any unit owner may record the proceedings at meetings
3 required to be open by this Act by tape, film or other
4 means; the board may prescribe reasonable rules and
5 regulations to govern the right to make such recordings.
6 Notice of meetings shall be mailed or delivered at least 48
7 hours prior thereto, unless a written waiver of such notice
8 is signed by the persons entitled to notice before the
9 meeting is convened. Copies of notices of meetings of the
10 board of the master association shall be posted in
11 entranceways, elevators, or other conspicuous places in
12 the condominium at least 48 hours prior to the meeting of
13 the board of the master association. Where there is no
14 common entranceway for 7 or more units, the board of the
15 master association may designate one or more locations in
16 the proximity of these units where the notices of meetings
17 shall be posted.

18 (5) If the declaration provides for election by unit
19 owners of members of the board of directors in the event of
20 a resale of a unit in the master association, the purchaser
21 of a unit from a seller other than the developer pursuant
22 to an installment contract for purchase shall, during such
23 times as he or she resides in the unit, be counted toward a
24 quorum for purposes of election of members of the board of
25 directors at any meeting of the unit owners called for
26 purposes of electing members of the board, and shall have
27 the right to vote for the election of members of the board
28 of directors and to be elected to and serve on the board of
29 directors unless the seller expressly retains in writing
30 any or all of those rights. In no event may the seller and
31 purchaser both be counted toward a quorum, be permitted to
32 vote for a particular office, or be elected and serve on
33 the board. Satisfactory evidence of the installment
34 contract shall be made available to the association or its
35 agents. For purposes of this subsection, "installment
36 contract" shall have the same meaning as set forth in

1 subsection (e) of Section 1 of the Dwelling Unit
2 Installment Contract Act.

3 (6) The board of the master association shall have the
4 authority to establish and maintain a system of master
5 metering of public utility services and to collect payments
6 in connection therewith, subject to the requirements of the
7 Tenant Utility Payment Disclosure Act.

8 (7) The board of the master association or a common
9 interest community association shall have the power, after
10 notice and an opportunity to be heard, to levy and collect
11 reasonable fines from members for violations of the
12 declaration, bylaws, and rules and regulations of the
13 master association or the common interest community
14 association. Nothing contained in this subdivision (7)
15 shall give rise to a statutory lien for unpaid fines.

16 (8) Other than attorney's fees, no fees pertaining to
17 the collection of a unit owner's financial obligation to
18 the Association, including fees charged by a manager or
19 managing agent, shall be added to and deemed a part of an
20 owner's respective share of the common expenses unless: (i)
21 the managing agent fees relate to the costs to collect
22 common expenses for the Association; (ii) the fees are set
23 forth in a contract between the managing agent and the
24 Association; and (iii) the authority to add the management
25 fees to an owner's respective share of the common expenses
26 is specifically stated in the declaration or bylaws of the
27 Association.

28 (d) Records.

29 (1) The board of the master association shall maintain
30 the following records of the association and make them
31 available for examination and copying at convenient hours
32 of weekdays by any unit owners in a condominium subject to
33 the authority of the board or their mortgagees and their
34 duly authorized agents or attorneys:

35 (i) Copies of the recorded declaration, other
36 condominium instruments, other duly recorded covenants

1 and bylaws and any amendments, articles of
2 incorporation of the master association, annual
3 reports and any rules and regulations adopted by the
4 master association or its board shall be available.
5 Prior to the organization of the master association,
6 the developer shall maintain and make available the
7 records set forth in this subdivision (d)(1) for
8 examination and copying.

9 (ii) Detailed and accurate records in
10 chronological order of the receipts and expenditures
11 affecting the common areas, specifying and itemizing
12 the maintenance and repair expenses of the common areas
13 and any other expenses incurred, and copies of all
14 contracts, leases, or other agreements entered into by
15 the master association, shall be maintained.

16 (iii) The minutes of all meetings of the master
17 association and the board of the master association
18 shall be maintained for not less than 7 years.

19 (iv) Ballots and proxies related thereto, if any,
20 for any election held for the board of the master
21 association and for any other matters voted on by the
22 unit owners shall be maintained for not less than one
23 year.

24 (v) Such other records of the master association as
25 are available for inspection by members of a
26 not-for-profit corporation pursuant to Section 107.75
27 of the General Not For Profit Corporation Act of 1986
28 shall be maintained.

29 (vi) With respect to units owned by a land trust,
30 if a trustee designates in writing a person to cast
31 votes on behalf of the unit owner, the designation
32 shall remain in effect until a subsequent document is
33 filed with the association.

34 (2) Where a request for records under this subsection
35 is made in writing to the board of managers or its agent,
36 failure to provide the requested record or to respond

1 within 30 days shall be deemed a denial by the board of
2 directors.

3 (3) A reasonable fee may be charged by the master
4 association or its board for the cost of copying.

5 (4) If the board of directors fails to provide records
6 properly requested under subdivision (d)(1) within the
7 time period provided in subdivision (d)(2), the unit owner
8 may seek appropriate relief, including an award of
9 attorney's fees and costs.

10 (e) The board of directors shall have standing and capacity
11 to act in a representative capacity in relation to matters
12 involving the common areas of the master association or more
13 than one unit, on behalf of the unit owners as their interests
14 may appear.

15 (f) Administration of property prior to election of the
16 initial board of directors.

17 (1) Until the election, by the unit owners or the
18 boards of managers of the underlying condominium
19 associations, of the initial board of directors of a master
20 association whose declaration is recorded on or after
21 August 10, 1990, the same rights, titles, powers,
22 privileges, trusts, duties and obligations that are vested
23 in or imposed upon the board of directors by this Act or in
24 the declaration or other duly recorded covenant shall be
25 held and performed by the developer.

26 (2) The election of the initial board of directors of a
27 master association whose declaration is recorded on or
28 after August 10, 1990, by the unit owners or the boards of
29 managers of the underlying condominium associations, shall
30 be held not later than 60 days after the conveyance by the
31 developer of 75% of the units, or 3 years after the
32 recording of the declaration, whichever is earlier. The
33 developer shall give at least 21 days notice of the meeting
34 to elect the initial board of directors and shall upon
35 request provide to any unit owner, within 3 working days of
36 the request, the names, addresses, and weighted vote of

1 each unit owner entitled to vote at the meeting. Any unit
2 owner shall upon receipt of the request be provided with
3 the same information, within 10 days of the request, with
4 respect to each subsequent meeting to elect members of the
5 board of directors.

6 (3) If the initial board of directors of a master
7 association whose declaration is recorded on or after
8 August 10, 1990 is not elected by the unit owners or the
9 members of the underlying condominium association board of
10 managers at the time established in subdivision (f)(2), the
11 developer shall continue in office for a period of 30 days,
12 whereupon written notice of his resignation shall be sent
13 to all of the unit owners or members of the underlying
14 condominium board of managers entitled to vote at an
15 election for members of the board of directors.

16 (4) Within 60 days following the election of a majority
17 of the board of directors, other than the developer, by
18 unit owners, the developer shall deliver to the board of
19 directors:

20 (i) All original documents as recorded or filed
21 pertaining to the property, its administration, and
22 the association, such as the declaration, articles of
23 incorporation, other instruments, annual reports,
24 minutes, rules and regulations, and contracts, leases,
25 or other agreements entered into by the association. If
26 any original documents are unavailable, a copy may be
27 provided if certified by affidavit of the developer, or
28 an officer or agent of the developer, as being a
29 complete copy of the actual document recorded or filed.

30 (ii) A detailed accounting by the developer,
31 setting forth the source and nature of receipts and
32 expenditures in connection with the management,
33 maintenance and operation of the property, copies of
34 all insurance policies, and a list of any loans or
35 advances to the association which are outstanding.

36 (iii) Association funds, which shall have been at

1 all times segregated from any other moneys of the
2 developer.

3 (iv) A schedule of all real or personal property,
4 equipment and fixtures belonging to the association,
5 including documents transferring the property,
6 warranties, if any, for all real and personal property
7 and equipment, deeds, title insurance policies, and
8 all tax bills.

9 (v) A list of all litigation, administrative
10 action and arbitrations involving the association, any
11 notices of governmental bodies involving actions taken
12 or which may be taken concerning the association,
13 engineering and architectural drawings and
14 specifications as approved by any governmental
15 authority, all other documents filed with any other
16 governmental authority, all governmental certificates,
17 correspondence involving enforcement of any
18 association requirements, copies of any documents
19 relating to disputes involving unit owners, and
20 originals of all documents relating to everything
21 listed in this subparagraph.

22 (vi) If the developer fails to fully comply with
23 this paragraph (4) within the 60 days provided and
24 fails to fully comply within 10 days of written demand
25 mailed by registered or certified mail to his or her
26 last known address, the board may bring an action to
27 compel compliance with this paragraph (4). If the court
28 finds that any of the required deliveries were not made
29 within the required period, the board shall be entitled
30 to recover its reasonable attorneys' fees and costs
31 incurred from and after the date of expiration of the
32 10 day demand.

33 (5) With respect to any master association whose
34 declaration is recorded on or after August 10, 1990, any
35 contract, lease, or other agreement made prior to the
36 election of a majority of the board of directors other than

1 the developer by or on behalf of unit owners or underlying
2 condominium associations, the association or the board of
3 directors, which extends for a period of more than 2 years
4 from the recording of the declaration, shall be subject to
5 cancellation by more than 1/2 of the votes of the unit
6 owners, other than the developer, cast at a special meeting
7 of members called for that purpose during a period of 90
8 days prior to the expiration of the 2 year period if the
9 board of managers is elected by the unit owners, otherwise
10 by more than 1/2 of the underlying condominium board of
11 managers. At least 60 days prior to the expiration of the 2
12 year period, the board of directors, or, if the board is
13 still under developer control, then the board of managers
14 or the developer shall send notice to every unit owner or
15 underlying condominium board of managers, notifying them
16 of this provision, of what contracts, leases and other
17 agreements are affected, and of the procedure for calling a
18 meeting of the unit owners or for action by the underlying
19 condominium board of managers for the purpose of acting to
20 terminate such contracts, leases or other agreements.
21 During the 90 day period the other party to the contract,
22 lease, or other agreement shall also have the right of
23 cancellation.

24 (6) The statute of limitations for any actions in law
25 or equity which the master association may bring shall not
26 begin to run until the unit owners or underlying
27 condominium board of managers have elected a majority of
28 the members of the board of directors.

29 (g) In the event of any resale of a unit in a master
30 association by a unit owner other than the developer, the owner
31 shall obtain from the board of directors and shall make
32 available for inspection to the prospective purchaser, upon
33 demand, the following:

34 (1) A copy of the declaration, other instruments and
35 any rules and regulations.

36 (2) A statement of any liens, including a statement of

1 the account of the unit setting forth the amounts of unpaid
2 assessments and other charges due and owing.

3 (3) A statement of any capital expenditures
4 anticipated by the association within the current or
5 succeeding 2 fiscal years.

6 (4) A statement of the status and amount of any reserve
7 for replacement fund and any portion of such fund earmarked
8 for any specified project by the board of directors.

9 (5) A copy of the statement of financial condition of
10 the association for the last fiscal year for which such a
11 statement is available.

12 (6) A statement of the status of any pending suits or
13 judgments in which the association is a party.

14 (7) A statement setting forth what insurance coverage
15 is provided for all unit owners by the association.

16 (8) A statement that any improvements or alterations
17 made to the unit, or any part of the common areas assigned
18 thereto, by the prior unit owner are in good faith believed
19 to be in compliance with the declaration of the master
20 association.

21 The principal officer of the unit owner's association or
22 such other officer as is specifically designated shall furnish
23 the above information when requested to do so in writing,
24 within 30 days of receiving the request.

25 A reasonable fee covering the direct out-of-pocket cost of
26 copying and providing such information may be charged by the
27 association or its board of directors to the unit seller for
28 providing the information.

29 (h) Errors and omissions.

30 (1) If there is an omission or error in the declaration
31 or other instrument of the master association, the master
32 association may correct the error or omission by an
33 amendment to the declaration or other instrument, as may be
34 required to conform it to this Act, to any other applicable
35 statute, or to the declaration. The amendment shall be
36 adopted by vote of two-thirds of the members of the board

1 of directors or by a majority vote of the unit owners at a
2 meeting called for that purpose, unless the Act or the
3 declaration of the master association specifically
4 provides for greater percentages or different procedures.

5 (2) If, through a scrivener's error, a unit has not
6 been designated as owning an appropriate undivided share of
7 the common areas or does not bear an appropriate share of
8 the common expenses, or if all of the common expenses or
9 all of the common elements in the condominium have not been
10 distributed in the declaration, so that the sum total of
11 the shares of common areas which have been distributed or
12 the sum total of the shares of the common expenses fail to
13 equal 100%, or if it appears that more than 100% of the
14 common elements or common expenses have been distributed,
15 the error may be corrected by operation of law by filing an
16 amendment to the declaration, approved by vote of
17 two-thirds of the members of the board of directors or a
18 majority vote of the unit owners at a meeting called for
19 that purpose, which proportionately adjusts all percentage
20 interests so that the total is equal to 100%, unless the
21 declaration specifically provides for a different
22 procedure or different percentage vote by the owners of the
23 units and the owners of mortgages thereon affected by
24 modification being made in the undivided interest in the
25 common areas, the number of votes in the unit owners
26 association or the liability for common expenses
27 appertaining to the unit.

28 (3) If an omission or error or a scrivener's error in
29 the declaration or other instrument is corrected by vote of
30 two-thirds of the members of the board of directors
31 pursuant to the authority established in subdivisions
32 (h)(1) or (h)(2) of this Section, the board, upon written
33 petition by unit owners with 20% of the votes of the
34 association or resolutions adopted by the board of managers
35 or board of directors of the condominium and common
36 interest community associations which select 20% of the

1 members of the board of directors of the master
2 association, whichever is applicable, received within 30
3 days of the board action, shall call a meeting of the unit
4 owners or the boards of the condominium and common interest
5 community associations which select members of the board of
6 directors of the master association within 30 days of the
7 filing of the petition or receipt of the condominium and
8 common interest community association resolution to
9 consider the board action. Unless a majority of the votes
10 of the unit owners of the association are cast at the
11 meeting to reject the action, or board of managers or board
12 of directors of condominium and common interest community
13 associations which select over 50% of the members of the
14 board of the master association adopt resolutions prior to
15 the meeting rejecting the action of the board of directors
16 of the master association, it is ratified whether or not a
17 quorum is present.

18 (4) The procedures for amendments set forth in this
19 subsection (h) cannot be used if such an amendment would
20 materially or adversely affect property rights of the unit
21 owners unless the affected unit owners consent in writing.
22 This Section does not restrict the powers of the
23 association to otherwise amend the declaration, bylaws, or
24 other condominium instruments, but authorizes a simple
25 process of amendment requiring a lesser vote for the
26 purpose of correcting defects, errors, or omissions when
27 the property rights of the unit owners are not materially
28 or adversely affected.

29 (5) If there is an omission or error in the declaration
30 or other instruments that may not be corrected by an
31 amendment procedure set forth in subdivision (h)(1) or
32 (h)(2) of this Section, then the circuit court in the
33 county in which the master association is located shall
34 have jurisdiction to hear a petition of one or more of the
35 unit owners thereon or of the association, to correct the
36 error or omission, and the action may be a class action.

1 The court may require that one or more methods of
2 correcting the error or omission be submitted to the unit
3 owners to determine the most acceptable correction. All
4 unit owners in the association must be joined as parties to
5 the action. Service of process on owners may be by
6 publication, but the plaintiff shall furnish all unit
7 owners not personally served with process with copies of
8 the petition and final judgment of the court by certified
9 mail, return receipt requested, at their last known
10 address.

11 (6) Nothing contained in this Section shall be
12 construed to invalidate any provision of a declaration
13 authorizing the developer to amend an instrument prior to
14 the latest date on which the initial membership meeting of
15 the unit owners must be held, whether or not it has
16 actually been held, to bring the instrument into compliance
17 with the legal requirements of the Federal National
18 Mortgage Association, the Federal Home Loan Mortgage
19 Corporation, the Federal Housing Administration, the
20 United States Veterans Administration or their respective
21 successors and assigns.

22 (i) The provisions of subsections (c) through (h) are
23 applicable to all declarations, other condominium instruments,
24 and other duly recorded covenants establishing the powers and
25 duties of the master association recorded under this Act. Any
26 portion of a declaration, other condominium instrument, or
27 other duly recorded covenant establishing the powers and duties
28 of a master association which contains provisions contrary to
29 the provisions of subsection (c) through (h) shall be void as
30 against public policy and ineffective. Any declaration, other
31 condominium instrument, or other duly recorded covenant
32 establishing the powers and duties of the master association
33 which fails to contain the provisions required by subsections
34 (c) through (h) shall be deemed to incorporate such provisions
35 by operation of law.

36 (j) The provisions of subsections (c) through (h) are

1 applicable to all common interest community associations and
2 their unit owners for common interest community associations
3 which are subject to the provisions of Section 9-102(a)(8) of
4 the Code of Civil Procedure. For purposes of this subsection,
5 the terms "common interest community" and "unit owners" shall
6 have the same meaning as set forth in Section 9-102(c) of the
7 Code of Civil Procedure.

8 (k) For purposes of this Section, "meeting" means any
9 congregation of a majority of the members of the board at the
10 same time and place to hear, discuss, or deliberate upon any
11 item of business scheduled to be heard by the board.

12 (Source: P.A. 94-384, eff. 1-1-06.)